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Viaplay Group publishes prospectus and provides trading update

- SEK 4bn equity offerings fully underwritten
- Rights issue subscription open from 19 January – 2 February
- Trading updated indicates Q4 results in line with targets
- 2024 targets updated to reflect FX rate changes and disposal of production studio
- Publication of Q4 results rescheduled to 22 February

The Swedish Financial Supervisory Authority has today approved Viaplay Group AB's (publ) ("Viaplay Group" or the "Company") prospectus regarding its SEK 0.9 billion rights issue (the "Rights Issue") and the admission to trading on Nasdaq Stockholm of the shares issued through the Rights Issue and the two directed issues of class B shares (the "Directed Issue" and the "Debt-to-Equity Issue", respectively), which were approved by the extraordinary general meeting of shareholders on 10 January 2024. The prospectus includes a trading update for 2023 and updated targets for 2024. Viaplay Group has obtained subscription undertakings and underwriting commitments corresponding to 100 per cent of both the Rights Issue and the Directed Issue, comprising a total equity capital injection of SEK 4 billion, which is a condition for the completion of the Company's recapitalisation announced on 1 December 2023.

The prospectus is available from Viaplay Group's website (https://www.viaplaygroup.com/recapitalisation-and-rights-issue-2023_2024) and will also be available from the Swedish Financial Supervisory Authority's website (www.fi.se) and Carnegie's website (www.carnegie.se). The prospectus contains more information about the offer to subscribe for shares in the Rights Issue and the admission to trading on Nasdaq Stockholm of the shares issued through the Rights Issue, the Directed Issue and the Debt-to-Equity Issue. The record date for owning shares with the right to receive subscription rights in the Rights Issue is tomorrow, 17 January, and the last day of trading in Viaplay Group's shares including the right to receive subscription rights was yesterday, 15 January. The subscription period commences on 19 January and ends on 2 February. Directly registered shareholders may obtain application forms for subscription with or without subscription rights from Carnegie's website (www.carnegie.se) or Viaplay Group's website (https://www.viaplaygroup.com/recapitalisation-and-rights-issue-2023_2024), and shareholders whose holdings are nominee-registered may apply for subscription in accordance with instructions from their nominee.

The Company has rescheduled its Q4 and full year 2023 results announcement to Thursday 22 February 2024, in order to enable Company employees to exercise their

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rights as shareholders in the rights issue prior to the black-out period ahead of the results.

The prospectus includes an approximate and preliminary indication of the Company's results for the period January–December 2023.

Group net sales	Approximately SEK 18.56 billion
Nordic net sales	Approximately SEK 15.59 billion
International net sales	Approximately SEK 2.97 billion
Viaplay subscribers	Approximately 6.502 million
Group Operating income before ACI & IAC	Loss of approximately SEK 1.11 billion for the group, with a profit of approximately SEK 0.55 billion for the Nordic operations and loss of approximately SEK 1.66 billion for the International operations
Group free cash flow *	Negative approximately SEK 3.50 billion
*Cash flow from operating activities plus cash flow from investing activities excluding acquisitions or disposals of operations.	

Full year group net sales are expected to be within the previously provided target range, with the Nordic operations expected to have performed above the top end of the previously provided range, and the International operations to have performed below the previously provided range. The total year end Viaplay subscriber base is expected to have been slightly below the previously provided target range, with approximately 4.106 million Nordic subscribers and approximately 2.396 million International subscribers. The change was primarily due to a decline in the Finland subscriber base in the fourth quarter, and higher churn levels and general uncertainty in the international markets that Viaplay Group plans to exit. The higher than anticipated Nordic net sales growth is expected to have reflected a lower year on year decline in advertising sales in the fourth quarter and higher content sublicensing sales in particular, with year on year stable Viaplay sales in the fourth quarter and continued growth in linear subscription and other sales. The lower than anticipated International net sales are expected to have reflected a doubling of sales year on year in the fourth quarter.

Viaplay Group's overall and segment profits are expected to be within the previously provided target ranges, while Viaplay Group's estimated free cash flow for the year is expected to have improved, when compared with the previous targets, due to actions taken to improve Viaplay Group's working capital.

Viaplay Group expects to book provisions or make write downs in the accounts for the fourth quarter 2023 for various items totalling approximately SEK 2.4-2.6 billion, which will be reported as items affecting comparability in the Q4 report. These items primarily relate to the non-core international markets that Viaplay Group is exiting (the Baltics, Poland, North America and the United Kingdom). The cash impact is expected to be

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approximately SEK 2.2 billion. Viaplay Group has previously indicated that the negative free cashflow impact of exiting the non-core international markets will be approximately SEK 2.2 billion between 2024 and 2028. Management is working to reduce this number by implementing a range of cost saving initiatives.

More broadly, Viaplay Group expects the measures that it is taking will enable its core operations to deliver long-term annual sales growth in the low to mid-single digit percentage range; to deliver double-digit operating profit margins in approximately five years; and to generate positive free cashflow in 2025. The whole group, including the international non-core operations, is expected to be free cashflow positive in 2027.

The prospectus also includes updated targets for the full year 2024, and the previously announced targets for 2024 are therefore no longer valid.

Net sales for core Nordic, Netherlands and Viaplay Select operations	SEK 17.2–17.8 billion
Operating income before ACI & IAC for core Nordic, Netherlands and Viaplay Select operations	Between a loss of SEK 250 million and a profit of SEK 50 million
Group free cash flow *	Negative SEK 1.7–2.2 billion, including negative SEK 0.6–0.8 billion for the non-core international operations
*Cash flow from operating activities plus cash flow from investing activities excluding acquisitions or disposals of operations.	

The net sales range for the core operations has been updated since the publication of the previous targets on 1 December 2023, in order to reflect the sale of the Paprika content production businesses and changes in currency exchange rates. The sale of the Paprika content production businesses was approved by the recent EGM and is expected to be closed in Q1 2024. The exchange rate between Viaplay Group's SEK reporting currency and its EUR, DKK and NOK operating currencies has changed significantly since November, and is expected to result in currency translation effects that will reduce Viaplay Group's reported net sales in 2024, when compared with the previous targets. The 2024 profit target has also been adjusted for the limited effect of the abovementioned changes, as the currency effects will also reduce the reported costs, and the Paprika business did not contribute significantly to group profits. The Group free cashflow targets for all operations (both core and non-core operations) are unchanged. Results for the non-core operations in the Baltics, Poland, North America and the United Kingdom (until completion of the previously announced disposal of the business, which is subject to regulatory approval and expected to close in the first quarter of 2024) will be included in Viaplay Group's results in 2024, and the anticipated impact on the Group's income statement will be provided no later than in conjunction with the publication of the Group's Q4 and full year results.

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Jørgen Madsen Lindemann, Viaplay Group President and CEO: "This is another important step forward in the recapitalisation plan, which is intended to secure the future of Viaplay Group and provide the opportunity to rebuild stakeholder value. The preliminary indication of our Q4 results is in line with our previous targets, and we have adjusted our 2024 targets for changes in currency rates and the previously announced disposal of the majority of our remaining content production businesses. We continue to take a broad range of operating and financial measures to improve our growth trajectory, profitability and liquidity. The clear objective is for our core operations to return to delivering long-term low to mid-single digit percentage sales growth, double-digit operating profit margins and positive free cashflow. We have much to do, and many changes still to make, but our core customer proposition is strong, and we are taking steps every day to further enhance our entertainment products and content mix."

NOTES TO EDITORS

Viaplay Group AB (publ) is the international entertainment provider. Our Viaplay streaming service is available direct-to-consumer in every Nordic and Baltic country, Poland, the Netherlands, the UK, the US and Canada. Every day, millions of customers enjoy our unique entertainment offering, including acclaimed Viaplay Series, Films and more, and an unrivalled line-up of premium live sports. In addition, our innovative Viaplay Select branded content concept makes Viaplay's compelling storytelling available to partners around the world. From streaming to TV channels, radio stations and production companies, our purpose is to tell stories, touch lives and expand worlds. Viaplay Group is listed on Nasdaq Stockholm ('VPLAY B').

This information is information that Viaplay Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. This information was submitted for publication by the contact person below on 16 January 2024 at 16:30 CET.

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